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TAGS: [MTCRE](#) [PARM](#) [PREL](#) [MNUC](#) [ETTC](#) [KSCA](#) [RS](#) [IR](#) [CH](#)  
SUBJECT: (S) RUSSIAN FIRM INVOLVED IN TRANSFER OF GNC  
EQUIPMENT TO IRANIAN DEFENSE ENTITY

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASON  
1.4 (C).

¶1. (U) This is an action request. Embassy Moscow, please see paragraph 4.

¶2. (S) Background: The United States has information indicating that as of early June 2009, Russia's Polyus Research and Development Institute was planning to ship two consignments of laser rangefinder components to an entity affiliated with Iran's Ministry of Defense and Armed Forces Logistics (MODAFL). Although these components are not captured by the multilateral export control regimes, laser rangefinders can be used in the guidance systems of cruise missiles. Polyus intended to route the shipments through the Chinese intermediary Fang Yuanming Science and Technology Development Company Ltd., possibly in order to evade Russian export restrictions. In related activity, Fang Yuanming also offered MTCR-controlled laser gyroscopes manufactured by Polyus to the same Iranian entity. We believe that a Hong Kong firm was to act as the intermediary in this transaction.

¶3. (S) Objectives: We want to share this information with Russian officials, highlighting the possibility that Polyus may be attempting to circumvent Russian export regulations, and ask them to take action to halt such activity by Polyus. We also want to remind the GOR that pursuant to United Nations Security Council Resolution 1737, all states are to take measures to prevent the supply, sale, or transfer to Iran of MTCR-controlled items, materials, goods, equipment and technology.

¶4. (S) Action Request: Request Embassy Moscow approach appropriate host government officials to deliver talking points/non-paper in paragraph 5 below and report response. Talking points also may be provided as a non-paper.

¶5. (S) Begin talking points/non-paper:

(SECRET//REL RUSSIA)

-- We would like to raise with you a matter of potential proliferation concern and request your government's assistance in investigating this activity.

-- We have information indicating that as of early 2009, Russia's Polyus Research and Development Institute was planning to ship laser rangefinder components to Iran's Electro-optics and Laser Industry (EOI).

-- Specifically, Polyus agreed to sell EOI a quantity of 40 FPU-21 photodetectors.

-- Laser rangefinders can be used in the guidance systems of cruise missiles.

-- EOI is affiliated with Shiraz Electronics Industries (SEI),

which is subordinate to Iran Electronics Industries (IEI). IEI is part of Iran's Ministry of Defense and Armed Forces Logistics (MODAFL).

-- Polyus indicated that it could only ship the equipment to Iran by first sending it to the Chinese intermediary Fang Yuanming Science and Technology Development Company, Ltd.

-- We are concerned that Polyus could be utilizing the Chinese intermediary in an effort to circumvent Russian export controls.

-- Fang Yuanming Science and Technology Development Company Ltd. is also known as Fang Yuanming Electronics, Fangyuan Ming, and Xian Fangyuan.

-- The photodetectors were scheduled to be shipped in two consignments of 20 each. One batch was to be shipped to Fang Yuanming in early June. The other would follow sometime in July.

-- In related activity, Fang Yuanming also offered EOI KM-11-1A laser gyroscopes manufactured by Polyus.

-- These gyroscopes are controlled by both the Missile Technology Control Regime and the Wassenaar Arrangement and prohibited for export to Iran under UNSCR 1737.

-- As of April 2009, it appeared that the Hong Kong firm Super Emission Technology Company would act as the intermediary for the sale of these gyroscopes to EOI.

-- We request that you investigate this information, and take measures to ensure that Polyus Research and Development Institute is not engaged in the unauthorized sale of sensitive goods to entities affiliated with Iran's missile program.

-- We also want to remind you that pursuant to United Nations Security Council Resolution 1737, all states are to take measures to prevent the supply, sale, or transfer to Iran of MTCR-controlled items, materials, goods, equipment and technology.

-- We look forward to continued cooperation on export control and nonproliferation issues and would appreciate hearing of the actions you take in response to this information at the earliest possible time.

End talking points/non-paper

16. (U) Washington POC is ISN/MTR John Paul Herrmann (Phone: 202-647-1430). Please slug any reporting on this issue for ISN/MTR and EUR/RUS

17. (U) A word version of this document will be posted at [www.state.sgov.gov/demarche](http://www.state.sgov.gov/demarche).  
CLINTON